

APPROVED 2004
WORK PLAN, MEETING SCHEDULE AND BUDGET
for the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE

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WORK PLAN

The revenue stabilization and tax policy committee (RSTPC) is a statutorily created joint interim legislative committee. Pursuant to Section 2-16-3 NMSA 1978, the committee is directed to "examine the statutes, constitutional provisions, regulations and court decisions governing revenue stabilization and tax policy in New Mexico and recommend legislation or changes if any are found to be necessary...".

Work Focus for 2004

Reviews of Legislation from the 2003 Special Session

Legislation adopted during the 2003 special session authorized approximately \$1.6 billion

in state transportation bonds for statewide transportation projects. The committee will monitor the issuance of the bonds and the department of transportation's progress with respect to those projects. In addition, the committee will review the effectiveness of amendments to the Weight Distance Tax Act and the effect of changes in the motor vehicle fee structure adopted in the special session.

Monitoring of Success and Impact of 2004 State Tax Legislation

The committee will periodically receive updates regarding implementation and the projected impact of tax legislation adopted in the 2004 legislative session. The committee will also review selected legislation that failed to be adopted but was endorsed by the committee and evaluate it for endorsement for the 2005 legislative session.

Review the Effectiveness of State-Sponsored Business Incentives and Consider Appropriate Assessment Tools

Every year, new legislation is adopted that provides business incentives through tax credits, deductions or exemptions. Currently, there is no method or requirement to review the effectiveness and success of these initiatives. The blue ribbon tax reform commission suggested that the state develop a methodology to evaluate the success of tax incentives adopted for their economic development benefit to the state. The committee will begin the process of determining how to assess the benefit of business incentive initiatives to the state.

Other Tax and Fiscal Matters for Review

The committee proposes to also:

- examine economic and revenue trends;
- monitor severance tax revenues, including revenue and bonding authority estimates, and management of bond appropriations and expenditures;
- receive an update on the performance of state permanent fund investments, including economic development investment tools;
- review existing tax laws for technical correction, cleanup or amendment;
- discuss the ramifications of tax pyramiding and alternative methods of reducing pyramiding's effects on businesses;
- discuss local option gross receipts and compensating tax issues;
- review the imposition and distribution of governmental gross receipts tax;

- receive an update on racing and gaming industries;
- receive an update on the local DWI grant fund and its administration;
- discuss the effects of changing the legal imposition of the gasoline tax;
- receive a report on the status of intergovernmental agreements with tribes and the resulting revenue trends;
- receive an update on the streamlined sales tax initiative;
- monitor changes in federal tax policy;
- review the implementation and most effective uses of dynamic scoring;
- discuss issues pertaining to PERA and ERA funds and programs;
- study the impact of increased oil and gas revenues on long-range revenue forecasting;
- receive an update on the effectiveness of film industry tax credits and their statewide use;
- review the implementation of the Civic and Convention Center Funding Act in Santa Fe and Santa Fe county; and
- conduct any other study or review of tax administration, tax laws, tax policy, public finance and revenue stabilization issues that the committee deems necessary.

MEETING SCHEDULE

The revenue stabilization and tax policy committee will meet as follows:

<u>Date</u>	<u>Location</u>
June 18	Santa Fe
July 7-9	Farmington
August 23-25	Ruidoso
September 13	Silver City
September 14-15	Deming
October 13-15	Santa Fe
November 8-10	Santa Fe
December 6-7	Santa Fe

BUDGET

Committee per diem and mileage:

One one-day meeting in Santa Fe	\$4,301
One three-day meeting in Farmington	10,911
One three-day meeting in Ruidoso	10,931
One three-day meeting in Silver City and Deming	12,131
One three-day meeting in Santa Fe	9,557
One three-day meeting in Santa Fe	9,557
One two-day meeting in Santa Fe	6,929
Additional cost for designees	<u>4,508</u>
Total	\$68,825
 Total Approved Budget	 \$40,000